



PSC NEWS

Missouri Public Service Commission

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FOR IMMEDIATE RELEASE

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NATURAL GAS RATES WILL DROP FOR CUSTOMERS OF AQUILA, INC. d/b/a AQUILA NETWORKS----MPS

JEFFERSON CITY--To reflect estimated changes in the cost of natural gas for the remaining portion of the winter season, Southern System natural gas customers of Aquila, Inc. d/b/a Aquila Networks-MPS will experience a reduction in natural gas rates under a filing reviewed and accepted by the Missouri Public Service Commission. This rate change will take effect on March 2, 2005.

A residential customer currently pays approximately 87 cents per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to approximately 74 cents per Ccf, a decrease of approximately 13 cents per Ccf. Under this filing, natural gas rates for a typical residential customer will drop by approximately \$21 (11%) in March.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Aquila, Inc. d/b/a Aquila Networks-MPS serves approximately 32,000 natural gas customers in its Southern System which includes the Missouri counties of Pettis, Platte, Cooper, Ray, Henry, Saline, Johnson, Vernon and Lafayette.